application for an exemption has been made in due time is for the determination of the referee subject to review by the court, if desired by the bankrupt or creditors. *In re Dobbs,* 175 Fed. 319. A claim for an allowance of an exemption in involuntary proceedings is in effective time if made by the bankrupt in his schedules. *In re Le Vay,* 125 Fed. 990. Generally where the claim is made in good faith and for the benefit of his family, a bankrupt is permitted to amend his schedules at any time before sale or distribution and after adjudication to assert an exemption omitted by mistake or to assert a further claim to exemptions allowed him by the state law. *Goodman v. Curtis,* 174 Fed. 644; *In re Maxson,* 170 Fed. 356; *In re Fisher,* 142 Fed. 205; *In re Moran,* 105 Fed. 901; Collier on Bankruptcy, 7 ed., 146. But, though the court as a rule exercises great liberality in permitting amendments, it does not favor the extension by amendment of exemptions where such extension will work solely for the benefit of a creditor. *In re Merry,* 201 Fed. 369; *Moran v. King,* 111 Fed. 730; *In re Moran, supra.* The provision of the Bankruptcy Act that the trustee shall be vested with the title of the bankrupt as of the date of adjudication, "except in so far as it is to property which is exempt," does not show an intent that the claim of exemption must have been made prior to adjudication; *In re Fisher, supra;* and the statement of the dissenting judge in the principal case that that date is the "dead line" cannot be said to accord with the authorities. Where the time for filing schedules is extended that extension operates to extend the time for claiming exemptions. Collier on Bankruptcy, 7 ed., 146.

BILLS AND NOTES—LIABILITY OF AGENT—ADMISSIBILITY OF PAROL EVIDENCE.—MERCHANTS BANK OF MOUNT VERNON v. JONES, 173 S. W. (TEXAS) 606.—*Held,* where an agent signed his own name to a negotiable instrument without adding words to indicate his agency, he is personally liable in an action by the payee, even though he disclosed his agency at the time of the transaction. (Not decided under the N. I. L.)

By the common law rule, an agent, whose name appeared on a negotiable instrument which did not disclose his principal, was solely liable. *Sturdivant v. Hull,* 59 Me. 172. In such case, even though the agent added words to his signature, showing that he signed in a representative capacity, such words were deemed merely *descriptio personae. Schumacher v. Dolan,* 134 N. W. (Iowa) 624. This rule was established to aid and encourage the negotiation of commercial paper. *Bank v. Love,* 13 App. Div. (N. Y.) 561. In some jurisdictions, an exception to the rule arose on the principle, *cessante ratione cessat ipsa lex;* and where an instrument was taken from an agent with knowledge of the agency, the agent was relieved from liability. Huffcut on Agency, § 123, 189; *Brockway v. Allen,* 17 Wend. (N. Y.) 40; *Burkhalter v. Perry & Brown,* 56 S. E. (Ga.) 631; 4 *Am. & Eng. Enc. Law,* 151; *Metcalfe v. Williams,* 104 U. S. 93. A few jurisdictions, however, have held, in accord with the principal case, that evidence of the agency is inadmissible, as being in violation of the rule excluding parol evidence in variance of the terms of a written agreement. *Bryan v. Duff,* 12 Wash. 233. The Negotiable Instruments Law, it seems, especially in New York, has codified

the common law rule with the exception. *Megowan v. Peterson,* 173 N. Y. 1. It is doubtful, however, whether the decision in the principal case is not strictly in accord with the N. I. L., in that no words were added by the agent. Section 20. Courts have felt at liberty to admit evidence of the agency between the original parties, *Keidan v. Winegar,* 95 Mich. 430 (at common law); *Kerby v. Ruegames,* 107 App. Div. (N. Y.) 491 (under N. I. L.) But it seems there is no valid reason for excluding such evidence against third parties, when it is established that such parties had knowledge of the circumstances surrounding the execution of the instrument. *National Bank v. Clark,* 139 N. Y. 307, 311; *National Bank v. Wallis,* 150 N. Y. 455, 458; *Megowan v. Peterson, supra,* 6. It is well settled that collateral agreements between the parties which are a defense against the payee can be established to bar an action by a subsequent holder who took with knowledge of such agreements. 1 Daniel on Negotiable Instruments, (6th ed.) § 156; *Higgins v. Ridgway,* 153 N. Y. 130.

BROKERS—LIABILITY TO PRINCIPAL FOR UNAUTHORIZED INVESTMENTS BY AGENT.—TITCOMB V. RICHTER, 93 ATL. (CONN.) 526.—*Held,* brokers are liable to a client's principal if they allow the client to purchase and sell stocks on margin with the principal's money knowing that the money belongs to the principal and was intrusted to the client to invest so as to produce an income.

Where an agent disposes of his principal's property in excess of his authority the principal may recover his property from anyone. *Bertholf v. Quinlan Bros.,* 68 Ill. 297; *Kingman v. Pierce,* 17 Mass. 247; *Thatcher v. Kaucher,* 2 Colo. 698. The principal is not limited to his action against the agent. *Peters v. Ballister,* 3 Pick. 495. But the principal must be able to trace the property or its avails. *Roca v. Byrne,* 145 N. Y. 182. Evidence of substantial identity may be attached to the thing itself or be extraneous; but in either event it is admissible. *Farmers' Bank v. King,* 57 Pa. St. 202. One who actively assists in an agent's breach of trust with full knowledge of the agent's duty, and obtains the principal's money, incurs the same liability to the principal as does the agent. *Guernsey v. Davis,* 67 Kans. 378; *Perry v. Oerman,* 63 W. Va. 566. That the third party knew when he received the principal's property that the agent was appropriating it stamps the transaction with fraud. *Livermore v. Johnson,* 27 Miss. 284. The principal may, if in equity and good conscience entitled to the money, recover it in an action for money had and received. *Lehigh v. American Brake-Beam Co.,* 205 Ill. 147. The third party under the circumstances stated above is guilty of a conversion. *Gilmore v. Newton,* 9 Allen 171; *McCombie v. Davies,* 6 East 540. Hence the principal may maintain trover. *Worthington v. Vette,* 77 Mo. App. 445. Money sent by a principal to his agent in the course of business between them is often treated by the courts as a trust fund. *Roca v. Byrne, supra.* The trust ends when the fund is devoted to the purpose intended; but if the money is converted, the trust follows it into the hands of the party receiving it. *Central Stock Exchange v. Bendinger,* 109 Fed. 926. But to charge a third person as a party to the misappropriation of a trust fund